Better Marketing
Division of Marketing and Marketing Agreements
· · AGRICULTURAL · ADJUSTMENT · ADMINISTRATION · ·
Vol. I WASHINGTON, NOVEMBER 14, 1936 NO. 17

MARKETING PLAN MOVED BIG CAULIFLOWER CROP

Colorado Cauliflower Industry Aided By Marketing Agreement and Relief Purchases

The marketing of 128 cars of Colorado cauliflower this year in excess of the quantity disposed of during the same period in 1935 presented some exceptional problems which were met through a marketing agreement program. The increased use of fertilizer coupled with excessive rainfall preceding and during the harvesting period served to increase yields very materially and to cause the bulk of the cauliflower crop in Colorado to mature at more nearly the same period of time, according to the General Crops Section.

In 1935, when a peak of 29 cars was loaded in the San Luis Valley in a single day, the industry was very much concerned over the high volume. However, in 1936 there was loaded in the same area a total of 56 cars on August 24 and 52 cars on the following day. During the period August 9 to 27, inclusive, the average daily loadings of cauliflower was 17.2 cars, and during this period it was generally conceded that the market demand in the area usually supplied from this territory did not exceed 10 cars per day. The demand was abnormally low because of extremely high temperatures in the consuming centers, the average of official maximum daily temperatures being 106.6° in Kansas City and 100.8° in St. Louis during this period.

Shipments Regulated

The cauliflower market opened at a price which appeared satisfactory to growers. As loadings increased, however, the price dropped rapidly; in fact, during one 5-day period there was a drop of 70 cents per crate to growers. The Control Committee in charge of administering the marketing agreement program recommended that effective August 16 a shipping regulation be approved by the Secretary which would limit shipments of cauliflower from Colorado to strictly U. S. No. 1 grade and of sizes that would pack 11 and 12

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Diversion Program For Surplus Peanuts Is Under Consideration

A program to divert surplus peanuts from the 1936 crop to uses other than for shelling purposes to avert unnecessary price declines to growers, was requested by representatives of peanut growers, who conferred with officials of the Agricultural Adjustment Administration.

The conference with growers was held November 6, at which time a subcommittee was named to work with the Agricultural Adjustment Administration in developing the details of the proposed peanut diversion program.

The proposed plan being considered by the Agricultural Adjustment Administration would provide for diversion payments to growers for diverting surplus peanuts to mills for crushing into oil and meal. These diversion payments would be in addition to the prices paid growers by crushers. The proposed program is similar in part to the diversion program in effect last year, except that payments this year would be made only to growers. It would operate under the provisions of section 32 of the amendments to the Agricultural Adjustment Act of last year.

Kansas City Milk Market Program Becomes Effective Under Order

An order for handlers of milk in the Kansas City, Mo., marketing area will become effective December 1. It replaces a program which has been in operation in that marketing area for over 2 years under a license for milk distributors.

Principal provisions of the order relate to the classification of milk bought by handlers into three classes according to use, the establishment of minimum prices which handlers are required to pay producers for the various classes of milk, and the proration to producers of the proceeds of sales to handlers through a base-rating plan and a market-wide pool. As in the case of the license, the order will be administered by a market administrator.

The order establishes the price of class 1 milk at $2.40 per hundredweight and class 2 milk at $2.05 per hundredweight delivered at the handler's plant. The price for class 3 milk would be determined by multiplying by 3.8 the price of 92-score butter at Chicago and adding 25 cents to the results.

TRUCK-CROP ACREAGE TO CONTINUE INCREASE

Plantings In 1937 May Increase By as Much as 10 Percent; Price Level To Be Maintained

The long-time upward trend in acreage and production of commercial truck crops for fresh market is expected to continue into the 1937 season, the General Crops Section says in a summary of the outlook report for truck crops prepared by the Bureau of Agricultural Economics.

While increased buying power of consumers is expected to permit increased marketings at price levels about equal to those prevailing in 1936, a relatively large increase in any one of the truck crops will depress prices for that particular crop, as demonstrated in 1936 by prices of onions, celery, and spinach. On the basis of the outlook report, the General Crops Section urges growers to exercise caution in expanding truck-crop production too rapidly. While there have been increases in demand for vegetables in recent years, there are indications that a point of saturation is being approached.

1936 Production Up

Estimates show an increase of about 6 percent in the vegetable acreage harvested for market in 1936 over 1935, and an increase of 1 percent in yield per acre, causing a 7-percent increase in production. However, prices for fresh vegetables increased 10 percent, which is attributed mainly to increased consumer buying power and the fact that the drought decreased production of home and local garden crops in the Central States.

Estimates place harvestings in the 1936 season at 1,548,000 acres, as compared with 1,462,000 acres in 1935, an average of 1,319,000 acres in the 5-year period 1928–32, and only 983,000 acres in 1925. The 1936 acreage was the largest on record. The acreage in the North Atlantic States in 1936 increased 3 percent over 1935; in the South Central States, 23 percent; and in the Western States the increase was 8 percent.

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BETTER MARKETING is issued as a means of communicating to workers and cooperators of the Division of Marketing and Marketing Agreements information relative to the Division's activities under the Agricultural Adjustment Act and related Acts.

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

NATHAN KOENIG, *Editor*, BETTER MARKETING

CAULIFLOWER

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heads per crate, to be packed fairly tight to tight and fairly uniform to uniform. This regulation slightly reduced the total amount of cauliflower loaded and helped to increase the demand by providing a superior pack.

As loadings continued to increase the Control Committee found it desirable to utilize other provisions of the marketing agreement so that shipments might be further restricted. Consequently, during the 2-day period August 24 and 25 no shipper moved more than 50 percent of his daily loadings, holding the unshipped cars on track for shipment during the following 2-day period, when there was in effect an additional regulation which provided for a loading holiday.

Relief Purchases

To supplement the marketing agreement program and keep quantities of surplus cauliflower from going to waste, the Agricultural Adjustment Administration purchased a total of 95 cars during the period that loadings were heaviest. This cauliflower was distributed by the Federal Surplus Commodities Corporation to State agencies for use of the unemployed and needy.

The general consensus of opinion of growers and shippers indicates that without the regulatory measures provided by the marketing agreement, coupled with the relief purchase program, the price to growers would have declined to 10 to 15 cents per crate and probably could not have recovered during the balance of the season. As it was, only a small portion of the crop moved for less than 30 cents per crate to growers.

The shipping season was abruptly stopped earlier than usual by a heavy snowstorm on September 27. While prices to growers during the final week of shipment were 50 to 55 cents per crate, many growers of late cauliflower lost their acreage, and with it the opportunity to sell at the higher prices which prevailed later in the season.

DAIRY INDUSTRY OUTLOOK PROMISING; FEWER COWS

Firm Dairy Products Prices This Winter With High Feed Costs; Long-Time Outlook Favorable

Probable restricted dairy production, improved demand, and the highest level of milk and dairy products prices in 7 or 8 years are in prospect for this coming winter season, according to a summary of the Bureau of Agricultural Economics' annual dairy outlook prepared by the Dairy Section. However, dairymen will be faced with short supplies of feed grains and high feed prices this winter.

Increased buying power of consumers is an important factor in the dairy outlook. Continued business recovery is expected to have a further favorable effect on the demand for dairy products.

Barring the recurrence of drought, more normal feed production and higher milk production next summer may result in a lower level of dairy products prices than in the summer of 1936, but the outlook for the next few years, beginning next summer, is for lower feed prices relative to dairy products prices than in the current season and for higher prices of dairy products relative to farm taxes, interest, and commodities dairymen buy than in other recent years.

Cow Numbers Down

The number of milk cows per 100 people is now the smallest since 1931, but is about the same as the 1900–25 average. By January 1, 1937, the number of milk cows is expected to be about 1.5 percent smaller than on January 1, 1936. Not much further change in milk cow numbers is in prospect for 2 or 3 years.

For winter feeding the feed-grain supply per animal unit is only about three-quarters of last year, and the 1928–33 average and only 5 percent above 1934. Grain production this year was low in nearly all States. Feed-grain imports may partially relieve the situation in coastal States, but will not greatly affect the national feed-grain shortage. Hay supplies per animal unit are only 8 percent below the 1923–32 average and are nearly a third larger than in 1934.

The 1936 drought is resulting in some further liquidation of cattle and will delay for a year or two the anticipated marked increase in hogs. Assuming more nearly normal weather, the longer time outlook is for ample feed supplies for fairly liberal dairy feeding and lower feed prices than in the current season.

Consumption Higher

Milk production during the coming winter is expected to average below last winter and around the level of the 1934–35 winter season. Milk production next summer and the following year or two will depend largely upon pastures and other feed conditions. More normal feed production would be favorable to an increase in milk production per cow and in total milk production.

Consumption of fluid milk, cream, and ice cream decreased with the decline in consumer incomes in the early years of the depression. With the increase in consumer incomes in recent years the consumption of those products has increased. The relatively high production and consumption of cheese and evaporated milk compared with butter during the last 2 or 3 years is expected to continue. With more normal feed conditions in 1937 and the next few years a considerable increase in the volume of milk used in the production of all manufactured dairy products from the low levels of the 1936–37 season appears probable. However, it is expected that per-capita butter production in the next few years will not greatly exceed the 1924–33 10-year average.

Domestic butter and cheese prices in the coming winter are expected to be high relative to world prices and favorable to imports. Butter imports may exceed last winter and the predepression average. Cheese imports may exceed other recent years.

PROGRAM TO CONTINUE AIDING PECAN EXPORTS

Export Benefit to Be Paid For Sales Abroad; Program Seeks to Build Export Outlets

Exports of a limited quantity of unshelled pecans will continue to be encouraged under a program approved by the Secretary of Agriculture for the 1936–37 marketing season.

In general, the program is similar to one in effect during the last marketing season. Under the program for the current marketing season, the Secretary of Agriculture will invite exporters of pecans to make offers to sell for export, between the date on which the offer is

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TRUCK-CROPS TO INCREASE

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Acreage in 1936 decreased 10 percent from the 1935 figure in the North Central States and 2 percent in the South Atlantic States largely because of abandonment resulting from the effects of drought.

Yields per acre of 17 commercial truck crops for fresh market shipment were about 1 percent higher in 1936 than in 1935 and the average of the last 5 years. Owing to a sharp expansion of acreage into less fertile areas, there was a downward trend in yield during the decade ending with 1931. The general level declined about 16 percent during that period, but since 1931 yields save remained comparatively stable.

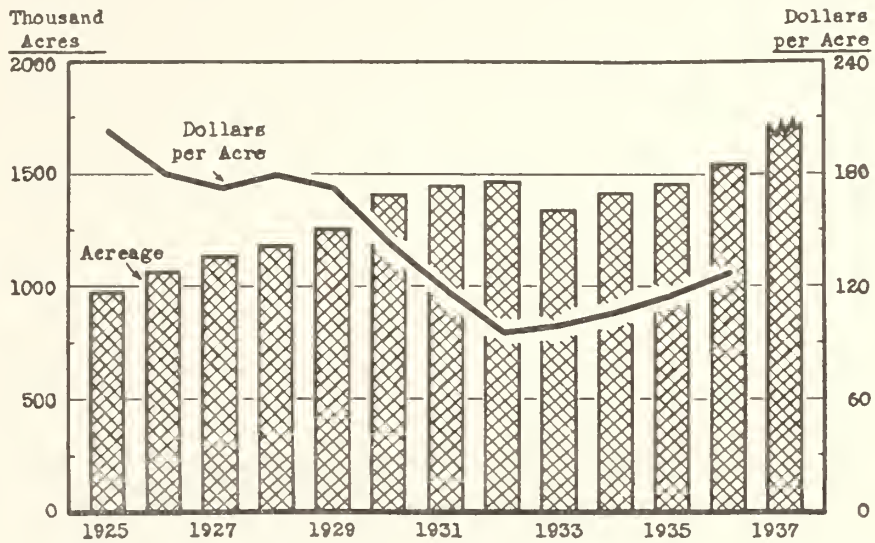
Acreage In 1937 Higher

During the last 15 years the trend of the acreage of these vegetables has been sharply upward, the only major reversal occurring in 1933 after the disastrously low prices of 1932. From 1923 to 1932, the average rate of expansion was about 7 percent per year. There was a 10-percent reduction in 1933, and an average increase of about 5 percent in the last 3 years. In view of these increases and a 10-percent advance in vegetable prices in 1936, together with prospects for further improvement in demand, it seems probable that acreage of the 17 important truck crops will be increased from 5 to 10 percent in 1937. The increase is expected to be fairly general throughout the country and fairly general with respect to kinds of vegetables, with the exception that acreages of onions, celery, and spinach probably will not be increased, because of lower prices for these crops in 1936 than in 1935.

Early reports from Florida, Texas, Arizona, California, and a few other sections indicate that the combined acreage of vegetables for harvest in the late fall and winter of 1936–37 will be about 40 percent larger than that harvested last season. This acreage constitutes a relatively small part of the total United States vegetable acreage. In the fall of 1935 the early indications were for a 40-percent increase in acreage, but because of unfavorable weather conditions the harvested acreage was 7 percent less than in 1934. If favorable weather prevails in the 1936–37 season, a much larger volume of fall and winter vegetables will be available.

The 1936 season marks the fourth successive year of price advance since the low point reached in 1932. Vegetable prices in 1936 were about 30 percent higher than they were 4 years ago, 10 percent higher than in 1935, and at the highest point since 1930. Because of further improvement in consumer-buying power in 1937, it is expected that the larger quantities of vegetables to be produced in 1937 will be marketed at about the same level of prices as that prevailing in 1936.

ACREAGE, FARM VALUE TRENDS FOR MARKET TRUCK CROPS



The average farm value per acre of vegetables for fresh market shipment rose from $116 in 1935 to approximately $127 in 1936. Inasmuch as yield per acre of these vegetables has varied very little in the past 5 years, the average value per acre has fluctuated with vegetable prices. Value per acre in 1936 was the highest since 1930 and about one-third higher than 1932, the depression low point. Since 1932 there has been improvement in the money return per acre, but it is considerably below the level of $175 per acre obtained before the depression. If acreage continues to increase in accordance with the present trend, the value per acre of vegetables is not expected to reach the pre-depression level in the near future.

Exports Increase

The total exports of vegetable products from the United States in 1935–36 (July to June) were valued at $11,468,000, compared with $8,994,000 for the corresponding period last season. Fresh vegetables accounted for 50 percent of this total.

Imports of total vegetable products for the 1935–36 season amounted to $11,894,104, or a decrease of $472,000. Fresh vegetables accounted for 35 percent of total imports with fresh tomatoes representing about half of this volume.

The outlook for the exports of vegetables from the United States is somewhat more favorable for the 1936–37 season than for the 1935–36 season. Demand conditions in many foreign countries have improved and the reduced duties in many countries, which have been brought about by reciprocal trade agreements, should improve export trade. Canada, which is a natural market for United States' fresh vegetables, has placed sweetpotatoes, eggplants, and artichokes on the free list and the basic ad valorem rate on most other fresh vegetables has been reduced 50 percent. Nine countries granted reductions in duties on various canned vegetables, and four countries agreed to bind existing duties against increases during the life of the agreements.

Imports of winter vegetables may be somewhat larger during the 1936–37 season than in 1935–36. Plantings in Cuba are larger than in 1935 and indications are that plantings on the west coast of Mexico will be slightly heavier than in 1935.

Hearing in Utah Will Consider Marketing Agreement for Onions

A pubic hearing to consider a proposed marketing agreement and order for onions grown in Utah will be held November 14 at Salt Lake City, Utah.

The program proposed in the agreement and order would enable the industry to adjust shipments more nearly in keeping with the market requirements for various grades and sizes of onions.

NETHERLANDS HAS LEAD AS DRY-MILK EXPORTER

United Kingdom Is Principal Importer Of Dry Milk, With France Ranking Second

[*This is the first of a series of articles on world trade in dry skim milk as it relates to dry-skim-milk production and marketing in the United States*]

Little information is available with respect to the movement in international commerce of dry skim milk to the exclusion of other dry-milk products, such as dry whole milk, malted milk, and dry cream. Statistics for most countries show only the aggregate foreign trade in these products, with no distinction between the various types. Some countries, namely, New Zealand and Peru, include imports of dry milk in the classification for evaporated and condensed milk, while Belgium includes exports in that classification. The international trade in sweetened dry milk, the statistics for which are included by some countries with those of the unsweetened dry milk, is a further factor tending to obscure the trade in dry skim milk of the type produced in the United States.

The Netherlands ranks first as an exporter of dry whole- and skim-milk products. Total exports from the Netherlands amounted to 29,360,000 pounds in 1931, 29,350,000 pounds in 1932, 32,739,000 pounds in 1933, and 29,420,000 pounds in 1934. New Zealand ranked second as an exported of dry milk in 1934, shipments in that year amounting to 12,331,000 pounds, while Canada ranked third with shipments of 4,692,000 pounds. The United States ranked second as an exporter of dry milk in 1931, total shipments amounting to 12,790,000 pounds, including both the whole- and the skim-milk products.

British Market

The United Kingdom appears to be by far the world's largest importer of dry milk. Imports into the United Kingdom of unsweetened dry milk amounted to 29,461,000 pounds in 1929, 28,049,000 pounds in 1930, 39,497,000 pounds in 1931, 35,875,000 pounds in 1932, 31,369,000 pounds in 1933, 28,213,000 pounds in 1934, and 24,552,000 pounds in 1935.

The principal suppliers of the unsweetened product on the United Kingdom markets in 1929 were New Zealand, the Netherlands, Canada, and Australia, with imports from these countries totaling 11,161,000 pounds, 10,134,000 pounds, 3,854,000 pounds, and 1,393,000 pounds, respectively. With the exception of 1930 and 1931, when the United States ranked fourth and third, respectively, as the most important supplier, and of 1932, when the Netherlands was the most important source, the four countries mentioned have retained their relative positions as suppliers of unsweetened dry milk on the British markets. Imports from the United States in 1935 amounted to only 134,000 pounds as compared with 9,188,000 pounds in 1931.

The United Kingdom also imports sweetened dry milk. Imports are small, however, in comparison with imports of the unsweetened product and amounted to 1,845,200 pounds in 1929, 1,608,768 pounds in 1930, 907,872 pounds in 1931, 696,192 pounds in 1932, 638,176 pounds in 1933, 421,120 pounds in 1934, and 625,296 pounds in 1935.

France appears to be the world's second largest importer of dry milks. However, her imports in 1934, amounting to 2,645,000 pounds, which also include concentrated solid milk with and without sugar, were less than one-tenth of the United Kingdom imports in the same year. At the same time she exported 776,000 pounds of dry milk in 1934. In 1935 she imported only 1,981,000 pounds, while exporting 657,000 pounds. Other importing countries are Japan, the Philippine Islands, Norway, Greece, Belgium, and Siam, but the aggregate imports of these countries in 1934, excluding Belgium, for which no data are available, amounted to only 1,329,000 pounds. One of these countries, Japan, imported no dry milk during 1935, while her exports, apparently non-existent theretofore, were 576,000 pounds.

Hearing on Marketing Agreement for Cauliflower Grown in Oregon

A proposed marketing agreement and order for handlers of cauliflower grown in the State of Oregon was considered at a public hearing held November 9 at Portland, Oreg.

The program which the agreement and order would make possible was developed at the request of handlers and growers representing approximately 75 percent of the cauliflower yet to be shipped during this season in Oregon. It would provide for regulation of shipments by grades and sizes, and for period proration of shipments to markets outside of the producing area.

The proposed agreement and order would be administered by a control committee of 11 members, representative of growers and handlers.

PECAN EXPORTS

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accepted by the Secretary and June 30, 1937, unshelled pecans produced in the United States which are not below the medium size and No. 2 quality specified in the United States standards for unshelled pecans.

In making the offer, each exporter would agree to export at least 1,000 pounds of unshelled pecans, and would specify the maximum volume that he expects to export. For the pecans exported, the Secretary of Agriculture would make to the exporter, whose offer is accepted, an export benefit of 5½ cents per pound on medium size pecans not below No. 1 quality, and 6½ cents per pound on pecans larger than medium size and not below No. 2 quality. The pecans exported must have been sold between the date of acceptance of the offer by the Secretary and June 30, 1937, and must be exported before October 16, 1937.

Developed at the request of growers and representatives of cooperative and independent distributors, the program is designed to encourage export outlets for pecans which appear promising. Pecans are not commercially produced in any foreign country except in Mexico, where production is confined to the seedling type. Total production of improved pecans in the United States averaged nearly 14 million pounds annually during the 10-year period up to 1936. Production in 1935 totaled 16,445,000 pounds. Industry reports indicate that of this orchard-run production 13,100,000 pounds were merchantable and the carry-over from the 1934 crop amounting to 1,000,000 pounds resulted in a total supply of 14,100,000 pounds in 1935. The November 1 crop report indicates a 1936 crop of improved pecans totaling 16,600,000 pounds, of which merchantable pecans are expected to approximate 13,900,000 pounds. This quantity, plus the estimated carry-over of 2,000,000 pounds, is expected to result in a total supply for 1936 of 15,900,000 pounds, approximately 1,800,000 pounds in excess of the 1935 supply.

Through the program to encourage exports the industry hopes to strengthen domestic markets and continue efforts to develop foreign outlets for pecans so that returns to domestic growers may be increased.

Operation of the program is made possible under the provisions of section 32 of the amendments to the Agricultural Adjustment Act approved last year. This section makes available to the Secretary of Agriculture an amount equivalent to 30 percent of annual customs receipts for uses which include encouraging new markets for agricultural products.

U. S. GOVERNMENT PRINTING OFFICE: 1936